

This order is SIGNED.

Dated: January 3, 2019

William J. Thurman

**WILLIAM T. THURMAN
U.S. Bankruptcy Judge**



slp

Prepared and Submitted by:

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Proposed attorneys for Sorenson Media, Inc.

**IN THE UNITED STATES BANKRUPTCY COURT
DISTRICT OF UTAH, CENTRAL DIVISION**

In re:

SORENSEN MEDIA, INC.,

Debtor.

Bankruptcy No. 18-27740 (WTT)

Chapter 11

**ORDER GRANTING DEBTOR'S MOTION FOR AUTHORITY TO IMPLEMENT KEY
EMPLOYEE RETENTION PLAN AND TO PAY PLAN THROUGH COLLATERAL
SURCHARGE**

The matter before the Court is the Debtor's *Motion for Order for Authority to Implement Key Employee Retention Plan and to Pay Plan through Collateral Surcharge* (the "Motion") (Dkt. 166). The Court conducted a hearing on the Motion on December 17, 2018. Appearances of counsel were noted on the record at the hearing.

Based on the Court's review and consideration of the Motion, the arguments of counsel made on the record at the hearing, and other relevant matters of record in this case, THE COURT HEREBY FINDS AND CONCLUDES that notice of the hearing was sufficient and proper under the circumstances and that the Debtor has shown good cause for granting the relief requested in the Motion.

ACCORDINGLY, THE COURT HEREBY ORDERS AS FOLLOWS:

1. The Motion is granted; and
2. The Debtor is authorized to pay Key Employees¹ a percentage of a portion of the sale proceeds (the "KERP Payment") following the closing a sale of the Debtor's assets pursuant to 11 U.S.C. § 363, an auction or similar process (the "Sale").
3. The KERP Payment shall be calculated by applying the percentage of 9.713% (the "Overall Percentage") to the difference between (a) the gross sales price of a Sale transaction, and (b) \$4,000,000, *provided, however*, that the Debtor shall not pay a Key Employee the KERP Payment if the employee is not employed by the Debtor at the time of the Closing of the Sale transaction, and, *provided, further*, that, with the written consent of JLS, the Debtor shall have discretion to pay a Key Employee the KERP Payment if the employee was terminated prior to the closing of the Sale transaction.
4. The respective proposed percentages payable to each individual employee, which totals the Overall Percentage, will be calculated by reference to the

¹ Capitalized terms used in this Order but not defined herein shall have the meanings ascribed to such terms in the Motion.

Debtor's pre-bankruptcy employee stock option program, which has been discontinued in light of the Debtor's bankruptcy filing.

5. For clarification, and by way of example, assuming a hypothetical Sale that generated a sale price of \$15,000,000, the difference would equal \$11,000,000. In this scenario, employees as a whole would receive a total KERP Payment of \$1,068,375 ($\$11,000,000 \times .09713$).

6. The KERP Payment shall be paid from the proceeds of JLS' collateral, provided, however, that if the sale price is made by a credit bid, then the purchaser shall pay the KERP Payment in addition to the credit bid.

-----END OF ORDER-----

DESIGNATION OF PARTIES TO BE SERVED

Service of the foregoing **ORDER GRANTING DEBTOR'S MOTION FOR AUTHORITY TO IMPLEMENT KEY EMPLOYEE RETENTION PLAN AND TO PAY PLAN THROUGH COLLATERAL SURCHARGE** shall be served to the parties and in the manner designated below:

By Electronic Service: I certify that the parties of the record in this case as identified below, are registered CM/ECF users and will be served notice of entry of the foregoing Order through the CM/ECF system:

- Michael Ronald Brown mbrown@parsonsbehle.com
- T. Edward Cundick tec@princeyeates.com, dock-et@princeyeates.com;pam@princeyeates.com
- Tim Dance tdance@swlaw.com, dock-et_slc@swlaw.com;snilsen@swlaw.com;bhatch@swlaw.com
- Debra A. Dandeneau debra.dandeneau@bakermckenzie.com, lori.seavey@bakermckenzie.com
- Frank Grese frank.grese@bakermckenzie.com
- George B. Hofmann ghofmann@cohnekinghorn.com, dhaney@cohnekinghorn.com;mparks@cohnekinghorn.com
- Phillip M. Hudson
- Michael R. Johnson mjohnson@rqn.com, docket@rqn.com;dburton@rqn.com
- Patrick E Johnson pjohanson@cohnekinghorn.com, jdannen-mueller@cohnekinghorn.com
- Jacob M. Kaplan
- David E. Leta dleta@swlaw.com, wkalawaia@swlaw.com;csmart@swlaw.com
- John T. Morgan tr john.t.morgan@usdoj.gov, James.Gee@usdoj.gov;Lindsey.Huston@usdoj.gov;Suzanne.Verhaal@usdoj.gov
- Ellen E Ostrow eeostrow@hollandhart.com, intake-team@hollandhart.com;lahansen@hollandhart.com
- Ira A. Reid
- Mark C. Rose mrose@mbt-law.com, markcroselegal@gmail.com
- Joseph R. Sgroi jsgrui@honigman.com
- Engels Tejeda ejtejeda@hollandhart.com, tjones@hollandhart.com,slclitdocket@hollandhart.com,intaketteam@hollandhart.com
- Jeff D. Tuttle jtuttle@swlaw.com, jpollard@swlaw.com;docket_slc@swlaw.com
- United States Trustee USTPRegion19.SK.ECF@usdoj.gov
- Brent D. Wride bwride@rqn.com, docket@rqn.com;pbrown@rqn.com

By U.S. Mail: In addition to the parties of record receiving notice through the CM/ECF system, the following parties should be served notice pursuant to Fed. R. Civ. P. 5(b).

Cheylynn Hayman
Parr Brown Gee & Loveless
101 South 200 East
Suite 700
Salt Lake City, UT 84111

Phillip Hudson
Saul Ewing Arnstein & Lehr LLP
200 S. Biscayne Boulevard, Suite 3600
Miami, FL 33131

/s/ Patrick Johnson

Certificate of Notice Page 6 of 6
 United States Bankruptcy Court
 District of Utah

In re:
 Sorenson Media, Inc.
 Debtor

Case No. 18-27740-WTT
 Chapter 11

CERTIFICATE OF NOTICE

District/off: 1088-2

User: gci
 Form ID: pdfor1

Page 1 of 1
 Total Noticed: 2

Date Rcvd: Jan 03, 2019

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Jan 05, 2019.

aty +Cheylynn Hayman, Parr Brown Gee & Loveless, 101 South 200 East, Suite 700,
 Salt Lake City, UT 84111-3105
 sp +Phillip Hudson, III, Saul Ewing Arnstein & Lehr LLP, 200 S. Biscayne Boulevard, Suite 3600,
 Miami, FL 33131-2395

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.
 NONE. TOTAL: 0

***** BYPASSED RECIPIENTS *****

NONE. TOTAL: 0

Addresses marked '+' were corrected by inserting the ZIP or replacing an incorrect ZIP.
 USPS regulations require that automation-compatible mail display the correct ZIP.

Transmission times for electronic delivery are Eastern Time zone.

I, Joseph Speetjens, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed. R. Bank. P. 2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Jan 05, 2019

Signature: /s/Joseph Speetjens

CM/ECF NOTICE OF ELECTRONIC FILING

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on January 3, 2019 at the address(es) listed below:

Brent D. Wride on behalf of Creditor Gracenote, Inc. bwride@rgn.com,
 docket@rgn.com;pbrown@rgn.com
 David E. Leta on behalf of Creditor JLS Holdings, LLC dleta@swlaw.com,
 wkalawaia@swlaw.com;csmart@swlaw.com
 Debra A. Dandeneau on behalf of Creditor Gracenote, Inc. debra.dandeneau@bakermckenzie.com,
 lori.seavey@bakermckenzie.com
 Ellen E Ostrow on behalf of Creditor Committee Official Committee of Unsecured Creditors
 eeostrow@hollandhart.com, intaketeam@hollandhart.com;lahansen@hollandhart.com
 Engels Tejeda on behalf of Creditor Committee Official Committee of Unsecured Creditors
 ejtejeda@hollandhart.com, tjones@hollandhart.com,slclitdocket@hollandhart.com,
 intaketeam@hollandhart.com
 Frank Grese on behalf of Creditor Gracenote, Inc. frank.grese@bakermckenzie.com
 George B. Hofmann on behalf of Debtor Sorenson Media, Inc. ghofmann@cohnekinghorn.com,
 dhaney@cohnekinghorn.com;mparks@cohnekinghorn.com
 Ira A. Reid on behalf of Creditor Gracenote, Inc.
 Jacob M. Kaplan on behalf of Creditor Gracenote, Inc.
 Jeff D. Tuttle on behalf of Creditor JLS Holdings, LLC jtuttle@swlaw.com,
 jpollard@swlaw.com;docket_slc@swlaw.com
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 James.Gee@usdoj.gov;Lindsey.Huston@usdoj.gov;Suzanne.Verhaal@usdoj.gov
 Joseph R. Sgroi on behalf of Debtor Sorenson Media, Inc. jsgrai@honigman.com
 Mark C. Rose on behalf of Creditor Guy Beverlin mrose@mbt-law.com, markcroselegal@gmail.com
 Michael R. Johnson on behalf of Creditor Gracenote, Inc. mjohnson@rgn.com,
 docket@rgn.com;dburton@rgn.com
 Michael Ronald Brown on behalf of Creditor VIZIO, Inc. mbrown@parsonsbehle.com
 Patrick E Johnson on behalf of Debtor Sorenson Media, Inc. pjohnson@cohnekinghorn.com,
 jdannenmueller@cohnekinghorn.com
 Phillip M. Hudson, III on behalf of Creditor VIZIO, Inc.
 T. Edward Cundick on behalf of Creditor Sinclair Television Group, Inc. tec@princeyeates.com,
 docket@princeyeates.com;pam@princeyeates.com
 Tim Dance on behalf of Creditor JLS Holdings, LLC tdance@swlaw.com,
 docket_slc@swlaw.com;snielsen@swlaw.com;ccole@swlaw.com
 United States Trustee USTPRegion19.SK.ECF@usdoj.gov

TOTAL: 20